

1.-GENERAL PROVISIONS OF PURCHASE

All orders made by SALTO SYSTEMS, S.L. for the purchase of products (the "**Products**") to its suppliers shall be subject to the particular conditions included in the Purchase Orders (as defined in clause 2 below), annexes or supplements, if any, and to these general conditions of purchase (the "**General Conditions of Purchase**").

In the event of a discrepancy between these General Conditions of Purchase and Purchase Orders, the content of the special conditions included in the Purchase Orders will prevail.

These General Conditions of Purchase are available to any potential supplier and shall be provided to them on request. These General Conditions of Purchase shall be construed as being incorporated into the contractual relationship between the parties by means of one of the following procedures:

- By means of the express signature of these General Conditions of Purchase by both parties in duplicate, a copy of which shall be kept by SALTO SYSTEMS, S.L. or;
- By means of the acceptance by supplier of the Purchase Orders (as defined clause 2 below) of SALTO SYSTEMS, S.L., which shall (a) include a reference to the existence of these General Conditions of Purchase and to their applicability to the purchase of products by SALTO SYSTEMS, S.L. and, (b) give access to these General Conditions of Purchase by including an identification of the Salto's web-page where the same are contained. Therefore, acceptance by supplier of the referred Purchase Orders shall also involve full and unconditional acceptance by Supplier of these General Conditions of Purchase. These General Conditions of Purchase are an integral and essential part of the Purchase Orders.

Any term, condition or provision incorporated by the supplier, including, without limitation, any term and condition included in the Confirmation of Purchase Orders (as defined in clause 3 below) or in any other document sent by the supplier (delivery notes, invoices, etc.), which contradicts, modifies or supplements these General Conditions of Purchase, shall not apply, except in the event that the application of the same has been expressly signed and accepted by SALTO SYSTEMS, S.L.

The general conditions of the supplier shall not apply and in all cases be construed as excluded and rejected by SALTO SYSTEMS, S.L.

SALTO SYSTEMS, S.L. may modify or replace these General Conditions of Purchase when it deems it appropriate. Any modification to these General Conditions of Purchase must be notified to the supplier by any means with acknowledgement of receipt. The supplier shall have seven (7) calendar days from the receipt of this notification to refer any objections to the amendments to SALTO SYSTEMS, S.L. Modifications to these General Conditions of Purchase shall be deemed to have been approved after the aforementioned period of seven (7) days has elapsed without SALTO SYSTEMS, S.L. having received any opposition from the supplier.

2.-PURCHASE ORDER

All purchase orders from SALTO SYSTEMS, S.L. will be sent to the supplier in writing (email) and will indicate, at least, the following aspects (the "**Purchase Order**") (i) the specific type and the amount of Products it intends to acquire; (ii) the place of delivery and the applicable INCOTERM, (iii) the delivery date, (iv) the applicable prices and the conditions and method of payment and, (v) the order number of SALTO SYSTEMS, S.L. The Purchase Order will also include the identification and reference of the plans to be used for the manufacture of the Products, when they are necessary for carrying out the aforementioned manufacture.

Phone orders are not valid.

3.-ACCEPTANCE OF THE ORDER

The supplier must acknowledge receipt of each Purchase Order in writing (email) confirming its delivery date as soon as possible (the "**Confirmation of the Purchase Order**").

If the Confirmation of the Purchase Order includes terms and conditions that contradict those provided for in the Purchase Order, this Confirmation of the Purchase Order will be deemed not to be carried out, with the exception of those cases in which SALTO SYSTEMS, S.L. accepts explicitly and in writing (email) the conditions included by the supplier in the Confirmation of the Purchase Order.

4.-CHANGES

SALTO SYSTEMS, S.L. may request the implementation of those changes in terms of design or quality to what was originally contemplated by the Purchase Order that are reasonable and technically possible, and in this case the supplier is obliged to implement them. When one of these changes requested by SALTO SYSTEMS, S.L. does not result in a reduction or increase of the price and/or

delivery date, the price and/or delivery date will be adjusted, upwards or downwards, only after written acceptance (email) from SALTO SYSTEMS, S.L. is given to that adjustment. The supplier may not make changes in a unilateral way.

5.-PLANS AND DOCUMENTATION MANUFACTURING

The plans and documentation provided by SALTO SYSTEMS, S.L. to the supplier (including, among others, those plans and technical documentation provided in relation to the Products, to their manufacturing or to their installation), will remain the exclusive property of SALTO SYSTEMS, S.L. and may not be used by the supplier without the express written consent of SALTO SYSTEMS, S.L. for any other purpose other than that for which they were delivered. The referred to plans and documentation may not be communicated to third parties, be reproduced or copied or be used for manufacturing or design of products for third parties, or for other unauthorised use, without the express written authorisation of SALTO SYSTEMS, S.L.

The supplier will manufacture the Products for SALTO SYSTEMS, S.L., in accordance with the applicable regulations, with the terms and conditions of the present General Purchasing Conditions and in accordance with the highest standards of quality and appropriate technical specifications to enable the Products to fulfil their functions and operate perfectly and correctly and, in particular, in accordance with the plans and technical specifications that, where appropriate, are indicated in the Purchase Orders.

The supplier will comply with and make all of its personnel employed in the execution of Purchase Orders and in the manufacture and sale of the Products, comply with all the obligations and duties contained in the applicable regulations in force.

In the event that SALTO SYSTEMS, S.L. were to consider that the manufacturing the Products process and/or any obligation established in the General Purchasing Conditions is not being performed according to the provisions or of the Purchase Orders, or with the instructions given by SALTO SYSTEMS, S.L., or any type of anomaly in them is detected, the latter may, without prejudice to any other rights or actions which might correspond, give the supplier all orders and instructions necessary or appropriate for the proper fulfilment of the present General Purchasing Conditions and of the Purchase Orders and/or for the manufacture of the Products according to the legislation that is applicable. The supplier must carry out, borne solely by it, all of the orders and instructions provided by SALTO SYSTEMS, S.L.

The provider states and ensures that it currently has and that it will have the technical facilities and staff with the appropriate professional and technical level for the proper execution of all the obligations assumed under the present General Purchasing Conditions and Purchase Orders agreed. In this sense, the supplier undertakes to perform on its account all jobs and adaptations at the facilities that in the future might be needed for the manufacture of the Products in execution of the Purchase Orders accepted, in accordance with the rules that may be applicable and without this representing any increase in the prices or additional cost for SALTO SYSTEMS, S.L.

6.-SUBCONTRACTS

Except for the case of tooling, the supplier will need written authorisation from SALTO SYSTEMS, S.L. to subcontract all or part of the work to be done, assuming at its own expense and risk, the responsibility for its proper implementation. In the case of subcontracting, the supplier will be solely liable to SALTO SYSTEMS, S.L. for the proper implementation of the Purchase Orders.

In any case, the supplier is accountable for the exact fulfilment of its legal, tax and contractual obligations with its suppliers and, in particular, of the goods delivered in compliance with the Purchase Order are wholly owned by it, freely available and free of charges and p, free disposal and are free of charges and encumbrances in favour of third parties.

Notwithstanding, the supplier shall not share Confidential Information of SALTO SYSTEMS, S.L. with its subcontractors, unless SALTO SYSTEMS, S.L. had authorized previously and expressly such disclosure in accordance with clause 21.

7.-REALIZATION CONTROL

The personnel of SALTO SYSTEMS, S.L. sent for that purpose, possibly accompanied by personnel from its customers, will have free access to the facilities of the supplier and/or subcontractors to inspect the carrying out of the works in all its phases, it being understood that the inspection does not imply final acceptance of the Products, which will be carried out in the facilities of SALTO SYSTEMS, S.L. in accordance with clause 13.

8.-THIRD PARTY LIABILITY

The supplier is a company totally independent of SALTO SYSTEMS, S.L. and will manufacture Products at its own expense and risk, assuming full liability for any claims and/or damages that might be generated in the framework of the manufacturing process of the Products, including, without limitation, any damage caused during the manufacture of the Products in the personnel and equipment of

the supplier, as well as the personnel and equipment of third parties that may be present in the facilities in which the supplier is carrying out the manufacturing process of the Products, and SALTO SYSTEMS, S.L. will not accept any claim.

9.-IDENTIFICATION

Each shipment delivered must be accompanied by a delivery note that contains:

- Delivery note number.
- Purchase order no. of SALTO SYSTEMS, S.L.
- Purchase order reference. Indicate batch number if required.
- Quantity of each reference SALTO SYSTEMS, S.L.

Each box or package must indicate in a visible place the amount per box and the reference of the Product.

10. - PACKAGING

The Products must be packed in such a way as to guarantee their integrity during transport and storage.

When using pallets, these must measure 1200x800 mm and have skids so that they can be handled with a fork-lift.

The total height of any package cannot exceed 1200 mm, nor the total weight exceed 1100 Kg.

Boxes on pallets must not exceed the pallet's support area.

Boxes that are going to be handled manually must not exceed the weight of 14 kg.

11.-DELIVERY TIME

Compliance on the part of the supplier of the delivery time of the Products foreseen in the accepted Purchase Orders, constitutes an essential obligation of the contractual relationship. The delivery time will start from the date on which the supplier receives the Purchase Order until the effective delivery of the Products in accordance with clause 12 below.

SALTO SYSTEMS, S.L. will not be obliged to receive partial deliveries or late deliveries of Products.

In any case, on the assumption that the supplier has evidence that the Products cannot be delivered on the date provided for in the Purchase Order for any reason, the supplier undertakes to bring this fact to the attention of SALTO SYSTEMS, S.L. as soon as possible.

SALTO SYSTEMS, S.L. reserves all rights that could correspond to it as a result of the lack of compliance with the agreed delivery times (including, among others, the possibility of terminating totally or partially the Purchase Order that has not been delivered in the corresponding delivery time without any compensation in favour of the supplier and, notwithstanding, if any, the claim by SALTO SYSTEMS, S.L. to the supplier for damages caused as a result of the aforementioned breach). In addition, failure to comply with the delivery times deadlines provided for in the Purchase Orders will be taken into account in the annual assessment of the supplier.

12.-DELIVERY AND TRANSFER OF RISK

The Products will be delivered to SALTO SYSTEMS, S.L. in the place of delivery indicated in the Purchase Order and in accordance with the terms and conditions of the INCOTERM established in the Purchase Order, with the ownership of the Products and the risk of their loss or damage transferred at that moment.

13.-RECEPTION

13.1. The qualitative and quantitative reception of the products is carried out after delivery in our facilities in a maximum term of two (2) months from delivery and the quality and characteristics of the Products must be meet what is requested in the Purchase Order.

A maximum deviation of +/- 10% is accepted in the quantity delivered with respect to the Purchase Order except when SALTO SYSTEMS, S.L. accepts greater deviation in writing. SALTO SYSTEMS, S.L. reserves the right to return all excess Products, and the return of the Products is the expense and risk of the supplier. For all intents and purposes, valid weight will only be indicated by our scale.

In the event of that from the sampling carried out during the quality inspection a percentage of faulty Products higher than 1% is estimated, SALTO SYSTEMS, S.L. reserves the right to return in carriage forward all of the Products under the Purchase Order, and in that case SALTO SYSTEMS, S.L. can choose between cancelling the corresponding Purchase Order or requiring the supplier to revise and repair or replace (at the choice of SALTO SYSTEMS, S.L.) of all the Products under the Purchase Order.

13.2. In the event that subsequent to the delivery and up to two (2) years from the same, SALTO SYSTEMS S.L. detects the existence of non-conformities of the Products with the technical specifications requested in the Purchase Order, SALTO SYSTEMS, S.L. may return to the supplier said Products, and the supplier agrees to repair them or replace them (at the choice of SALTO SYSTEMS, S.L.) at its own expense, and ensuring the associated technical assistance. In addition, if the existence of a same nonconformity is detected in a percentage higher than 1% of the Products delivered in a given batch, SALTO SYSTEMS, S.L. may return to the supplier all the Products belonging to the faulty batch for repair or replacement (at the choice of SALTO SYSTEMS, S.L.) at its expense.

13.3. When the supplier does not carry out the repair or replacement of the Products in accordance with this clause 13, within a reasonable time, SALTO SYSTEMS, S.L. may entrust the repair of Products to a third party. All the costs that SALTO SYSTEMS, S.L. incurs as a result of repair by their own means and/or the contracting of the repair to a third party, they will be passed on by SALTO SYSTEMS, S.L. to the supplier, and may deduct these expenses from unpaid invoices.

On the assumption that the repair and/or replacement are not possible or are refused by the supplier, SALTO SYSTEMS, S.L. may claim from the supplier the full price of the Products.

13.4. If it deems it appropriate, the Quality Department may send after delivery Nonconformity reports to the supplier in the event of detecting significant quality problems. The supplier must respond to the Non-conformity report within a maximum period of one week from the date of its receipt.

If the quality problem is chronic or severe, the Quality Department will send to the supplier an 8D report that the supplier must answer in the maximum term of one month from its receipt.

The percentages of defective Products detected and the number of Non-conformities will be included in the annual assessment of the supplier.

14.-FIRST SAMPLES

When the Purchase Order is relative to first samples for the approval of parts and components, these first samples shall comply with the specific instructions provided by SALTO SYSTEMS, S.L. together the corresponding Purchase Order.

15. RESPONSIBILITY

The Supplier undertakes to keep SALTO SYSTEMS, S.L. exempt of any liability, damages, losses, expenses and/or legal claims (including the fees and expenses of legal advisers) in which it might incur, arising from acts or omissions of the supplier, of breaches of the supplier of its obligations under the present General Purchasing Conditions and under the Purchase Orders, or derived from the faulty manufacture of the Products, especially of the faulty manufacture of the Products, especially in the cases in which the damages derive from the manufacture of the Products not in accordance with these General Purchasing Conditions and with the conditions of the Purchase Orders.

The Supplier undertakes to subscribe to and keep in force the corresponding third party liability insurance contract with a solvent insurance company that is satisfactory for SALTO SYSTEMS, S.L. that provides sufficient coverage for the risks derived from the execution of the obligations of the supplier under these Purchasing Conditions and under the Purchase Orders.

16.-INTELLECTUAL AND INDUSTRIAL PROPERTY RIGHTS

The supplier will comply with the applicable legislation on intellectual and industrial property matters in compliance with the obligations assumed under the present General Purchasing Conditions and Purchase Orders agreed.

The supplier will compensate, defend and maintain SALTO SYSTEMS, S.L. and its customers exempt and harmless from any liability, damages, losses, expenses and/or legal claims (including fees and expenses of legal advisers) arising out of the infringement by the supplier of industrial and intellectual property rights of third parties in connection with the manufacture, sale or use by SALTO SYSTEMS, S.L. or its customers of products purchased from the supplier.

All intellectual and industrial property rights on the plans or prototypes developed, the Products, their adaptations and updates as well as on all information, documentation, knowledge of a technical or scientific nature, technologies, know-how, working methods, testing, data, statistics, calculations, etc. developed or obtained in the framework of the implementation of the Purchase Orders and these General Purchasing Conditions will belong to SALTO SYSTEMS, S.L.

17.-INVOICING

- All correspondence, invoices and money orders, will be sent to:

SALTO SYSTEMS, S.L. Arkotz 9, 20180 Oiartzun

- Each invoice will indicate the Delivery Note No. and the purchase order no. of SALTO SYSTEMS, S.L.
- The invoice will indicate the method of payment chosen and its maturity, which must correspond with what is provided for in the Purchase Order.
- The supplier can only issue the corresponding invoice for the price of the Products, once they have been delivered to SALTO SYSTEMS, S.L. in accordance with clause 12 above. If after the supplier issues the invoice, SALTO SYSTEMS, S.L. were to return all or part of the Products in accordance with clause 13 or 14 above, the supplier must totally cancel the invoice issued and may only issue the invoice again when the returned Products have been repaired or replaced (as requested by SALTO SYSTEMS, S.L.) to the satisfaction of SALTO SYSTEMS, S.L., and meanwhile SALTO SYSTEMS, S.L. is not obliged to pay to the supplier the price of any of the Products delivered in execution of the same Purchase Order as the Products subject to return.

18.-SAFETY STOCKS

SALTO SYSTEMS, S.L. will agree with the supplier if necessary the quantities of Products that the supplier must have at its facilities as safety stock.

In the event of that as a result of changes introduced by SALTO SYSTEMS, S.L. in the design, in the plans, or in any other technical specifications of the Products, the Products that the supplier has as safety stock will become obsolete, SALTO SYSTEMS, S.L. will acquire from the supplier the Products existing in this safety stock, at the prices agreed between the parties. For clarification purposes, SALTO SYSTEMS, will have no obligation to purchase the Products that the supplier were to have produced without having received a Purchase Order from SALTO SYSTEMS, S.L. and that exceed the agreed safety stock levels.

19.-COMPONENTS IN STORAGE

In the case that SALTO SYSTEMS, S.L. delivers to the supplier in storage certain components to be incorporated by the supplier in the Products during the manufacturing process, the supplier undertakes to receive these components in its capacity as depositary, and it is in charge of storing them and obliged to keep them, treat them and handle them with due diligence and care. The supplier undertakes to adequately insure any risk of loss of or damage to such components in storage. The supplier may not use these components for any purpose other than that for which it was delivered nor can it use them for providing any services to third parties.

The supplier will be responsible for verifying that in each of the deliveries of components in storage, the amount of components effectively delivered by SALTO SYSTEMS, S.L. to the supplier corresponds to the amount of components that was planned and scheduled to be carried out in such delivery. The supplier will have two days starting from its receipt to communicate in writing any defect of quantity or any apparent flaw in the received components. If this term passes without the supplier sending any written communication to SALTO SYSTEMS, S.L. notifying the existence of defects in quantity or obvious defects, it will be understood that the supplier has received the components to its complete satisfaction.

Within a maximum of fifteen (15) calendar days from the end of each calendar year, the supplier will communicate to SALTO SYSTEMS, S.L. the existing inventory at its facilities in the components in storage owned by SALTO SYSTEMS, S.L. In the event that a lack of components in storage the supplier were to be responsible for, SALTO SYSTEMS, S.L. reserves the right to invoice to the supplier the cost of those components.

SALTO SYSTEMS, S.L. may require the supplier to return the components it were to have in storage owned by SALTO SYSTEMS, S.L. at any time.

20.-MISCELLANY

The titles and headings of the different clauses that constitute the present General Purchasing Conditions have been chosen to make it easier for them to be read. It is considered, for contractual purposes, that they do not alter the content of the preceding clauses. In any case, the present General Purchasing Conditions will be interpreted in accordance with the true and literal meaning of what is written in the present document.

In the event that all or part of any of the clauses of these General Purchasing Conditions are declared null or without effect, such nullity or lack of effect will not affect the validity or effectiveness of the rest of the clauses, which will remain valid and effective, except when the invalidity or lack of effect involves an essential and substantial change from the rest of the provisions of this document.

The clause declared null or ineffective will not start and will be interpreted in a manner consistent with the law or will be replaced by a new one whose content is as similar as possible to the clause that SALTO SYSTEMS, S.L. had included if it had been aware of the lack of effect or validity of the clause deleted.

21.-CONFIDENTIALITY

The term "Confidential Information" will mean any information and documentation provided by SALTO SYSTEMS, S.L. to the supplier within the framework of the implementation of the Purchase Orders or of these Purchasing Conditions (including, among other documentation, that relating to the Products and their manufacture, whatever their support, designs, manuals, plans, specifications, drawings, projects, software, hardware, etc.), as well as any information, data, documents relating to the commercial and/or industrial activity of SALTO SYSTEMS, S.L. Considered as Confidential Information will also be that information prepared by any party from, or that totally or partially reflects, the Confidential Information.

Without prejudice to the foregoing, the data or information that (i) are in the public domain or that become public domain without infringement of the present General Purchasing Conditions; or (ii) that must be disclosed on the basis of a judicial or arbitration decision, or by inexcusable obligation of a legal nature of the supplier, will not be considered Confidential Information. In the latter case, the supplier shall inform, in advance, of this circumstance to SALTO SYSTEMS, S.L.

The supplier undertakes not to disclose the Confidential Information to any third party without the prior written consent of SALTO SYSTEMS, S.L. Furthermore, the supplier undertakes to use the Confidential Information for the strict effects of complying with the Purchase Orders.

The supplier will not copy or reproduce, entirely or in part, the Confidential Information, without the prior written consent of SALTO SYSTEMS, S.L., except for those copies or extracts that are strictly necessary for the compliance of its obligations under the Purchase Orders and the present General Purchasing Conditions.

This obligation of confidentiality is binding for both the supplier and its representatives. The term representative includes all employees, directors, agents, advisers, consultants or any other person connected with them.

With the aim of avoiding the disclosure of Confidential Information, the supplier undertakes to take all appropriate measures to preserve the Confidential Information, and in particular all the measures related to those of its employees who have or may have access to such information.

In the event that the supplier fails to fulfil its obligations of confidentiality it must compensate SALTO SYSTEMS, S.L. for all damages, including loss of earnings, which it may have suffered as a result of said breach.

This obligation of Confidentiality shall remain in force for an indefinite period of time, while the Confidential Information preserves its secret and confidential nature.

The supplier must return to SALTO SYSTEMS, S.L. all Confidential Information, within a maximum of fifteen calendar days from SALTO SYSTEMS, S.L. requiring it to do so. Likewise, the Supplier must destroy in the same term all copies it has made of the Confidential Information.

22.-APPLICABLE LEGISLATION

The sale of Products by the supplier to SALTO SYSTEMS, S.L. and the present General Purchasing Conditions, will be governed by the provisions of this document and what has not been foreseen in it, by Spanish legislation.

23.-JURISDICTION

For any dispute or conflict concerning the validity, interpretation, execution, implementation and termination of the present General Purchasing Conditions, the Purchase Orders and the sale of the Products by the supplier to SALTO SYSTEMS, S.L., the parties expressly submit to the jurisdiction of the Courts and Tribunals of San Sebastián (Guipúzcoa) with waiver of any other that might correspond to them.

24.-REGULATORY REQUIREMENTS

The supplier will supply, if required by SALTO SYSTEMS, S.L., the report on compliance of governmental and safety limitations of materials for restricted use toxic or dangerous or subject to regulation.